



Surry County Budget



"Surry is Something Special"

Presented April 3, 2014

Surry County Board of Supervisors

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Tyrone W. Franklin

COUNTY ATTORNEY

William H. Hefty

Constitutional Officers & State Officers

Sheriff	Alvin W. Clayton, Sr.
Commonwealth's Attorney.....	Gerald G. Poindexter
Clerk of Circuit Court	Gail P. Clayton
Treasurer.....	Mary H. Shaw
Commissioner of Revenue.....	Deborah J. Nee
District Court Clerk	Janeen Jackson
Registrar	Lucille J. Epps

Other Staff

Dir. of Finance & Information Technology.....	Terri E. Hale
Dir. of Planning & Community Development.....	Rhonda L. Russell
Director of Parks & Recreation.....	Ervin A. Jones
Director of Office on Youth	Sophenia P. Pierce
Building Official	Stacey T. Williams
Animal Control Officer.....	Tracy L. Terry
Unit Director, VA Cooperative Extension.....	Billie Jean Elmer
Director of Social Services.....	Valerie P. Pierce
Division Superintendent	Lloyd A. Hamlin

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Board of Supervisors' Mission Statement Strategic Goals & Priorities

Surry County Mission Statement

The Board of Supervisors strives to maintain a strong commitment towards the improved efficiency and effectiveness of County government, impacting public safety, health, education and welfare of the citizens of Surry through effective leadership and fiscal integrity. Also, the Board will encourage the orderly growth and development of the community which will enhance the quality of life for the citizens of Surry County.

Strategies:

- + Promote growth in a manner which protects the County's agriculture, environment, quality of life and historic resources
- + Balance quality of government services with fiscal integrity
- + Enhance relations with the stakeholders of County government (i.e. citizens, businesses, employees, towns)
- + Keep citizens informed; encourage openness and participation in government

Priorities:

- + Work with regional economic development organizations to promote Surry County as the ideal business location
- + Continue to exercise sound financial management and build the County's fiscal strength while minimizing the property tax burden
- + Support the development and deployment of broadband technology
- + Work closely with the School System to plan joint County services and facilities
- + Increase public services and facilities relative to tourism, parks & recreation and library services
- + Implement a Capital Improvements Plan in conjunction with the County's Comprehensive Plan
- + Promote and maintain a quality workforce; equip employees with the resources needed to be efficient and effective
- + Work to ensure the safety, security and maintenance of all County facilities.
- + Work closely with legislators and regional organizations in critical public policy areas (i.e. transportation, infrastructure)



“The Countrie it selfe, I must
confesse is a very pleasant land,
rich in commodities; and fertile in
soyle...”

Samuel Argall, ca. 1609

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County Administrator
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TO: The Honorable Board of Supervisors

FROM: Tyrone W. Franklin, County Administrator

SUBJECT: Proposed FY15 Consolidated Budget

I am pleased to provide, for your consideration, my proposed Operating and Capital Budget for the County's fiscal year that begins July 1, 2014 and ends June 30, 2015. The purpose of this document is to inform you of the fiscal affairs of Surry County and to provide sufficient information that will enable the Board to ultimately adopt a budget that will effectively meet the needs of the community.

The County has experienced a rather significant, although finite, growth in public service corporation taxes, due to increased assessments. State and federal revenues, however, remain flat. We continue to be conservative with revenue projections, and maintain or reduce expenditures where possible without reducing the level of services provided. In our efforts to meet ongoing fiscal challenges and to balance the FY15 Budget, the County has established a set of guiding principles to include:

- Finding/creating efficiencies and making budget reductions where appropriate
- Reviewing vacant positions that have been unfilled, but are critical to the effective operations of the applicable department
- Effectively communicating the County's financial position

By implementing these principles, I believe that the County is well-positioned to provide effective, efficient and accessible services to the citizens of Surry County, to better sustain unknown financial adversity and to accomplish these tasks with no increase in the current tax rate. I am pleased to recommend a proposed budget that calls for all FY15 tax rates to remain the same:

2014 PROPOSED TAX RATES	
Real Estate	\$0. 73 per \$100 of assessed value
Machinery & Tools	\$1.00 per \$100 of assessed value
Personal Property	\$ 4.00 per \$100 of assessed value
Personal Property Tax Relief	45%

There are a few initiatives and commitments that I feel are important in the development of the FY15 budget that will strengthen the successful operations of Surry County government. While some require increases over the current year's budget, I want to assure the Board members that every effort has been made to ensure that all departments operate at existing levels, make reductions if feasible and institute adjustments where practicable. It is important to add that current year fiscal restraints coupled with surplus not utilized due to unfilled vacancies, postponed capital initiatives in the current year and stronger local revenues than projected have enabled me to propose implementation of these initiatives without an adverse impact on the County's overall financial position. Items 1 through 4 below summarize these initiatives and commitments.

1. COMMITMENT TO EDUCATION

Public Education represents an important part of our local government and, at 32%, is second in size only to the general fund. I am proposing an increase of \$305,886 in the local contribution to Surry County Public Schools. The total proposed FY15 local share is \$12,000,000 (including the cafeteria fund). State revenue for the schools continues to decline, a result of both reductions in aid to localities and a continuing decline in the County's school enrollment. According to the Department of Education website, fall membership in the schools has declined 17.2% from FY04 to FY14. Local funding has increased 8.5% during the same period. The school system's FY15 proposed budget projects \$132,000 less in state/federal revenue.

While this year provides a modest increase in local dollars, the Board continues to financially support the schools by reappropriating unspent local funds from previous fiscal years. Funding is now provided in the County's operating budget for debt service on the 2008 high school project totaling \$234,185, in addition to the pro-rata share of the 2006 & 2007 SunTrust issues. Also, the County provides water & sewer to the schools at no cost, an additional local cost of approximately \$60,000 annually.

2. CONTRIBUTION TO OUTSIDE AGENCIES

The County contributes to a number of **outside agencies**, including but not limited to, the volunteer fire departments & rescue squad, the Health Department, the Blackwater Regional Library, the District 19 Community Services Board and Williamsburg Area Transit. Contributions in FY14 total \$1,096,297, or 4.8% of the general fund operating budget. The proposed contribution to these agencies and organizations in FY15 is \$1,103,353, an increase of \$34,056, or 3.1%. The increase is due to additional operating costs associated with the new Surry branch library. Other increases were either level-funded or reflect a minimal increase, but were determined by request and need rather than recommending the same increase for each agency.

Almost 60% of the agencies in the proposed budget are funded at 1% increases or less. Only two new agencies were funded: Surry ASPCA at \$1,000; and the Airfield/4H Conference Center for \$500.

3. PERSONNEL

Competitive **compensation and benefits** is important to the attraction and retention of qualified employees. We are pleased to include a 3% cost of living increase for all permanent general government employees at a cost of \$111,708, including related fringe benefits.

Health insurance premiums will increase by 8.8% in FY15. Because Local Choice requires that the County pay 80% of employee only coverage, this increase will be shared between the County and the employee. The increase in the employer share will be approximately \$54,900.

4. CAPITAL PROJECTS

The County's **Capital Project Budget** for FY15 is proposed to be funded by local dollars totaling \$900,000. Projects include water system upgrades; the construction of a rescue squad building; repairs & construction at the newly acquired marina; a Surry sewer system expansion; the continuance of the broadband project; the replacement of HVAC infrastructure at the high school; renovations to the proposed visitors center building; the first phase of a multi-modal study at the park; the continuation of the stabilization & restoration of certain County-owned buildings; and various technology improvements. The County continues to reserve its capital fund balance, better enabling the execution of prior commitments and critical capital improvement needs. The total capital budget for FY15 is proposed to be \$6,250,000.

Local Revenue Summary – 92% of General Fund Revenue

I. LOCAL TAX COLLECTIONS

Current real estate collections have been increased in the proposed budget by \$144,478, based on the 2013 land book values. Reductions for various tax exemptions, along with the current collection rate have been deducted from this amount. One penny at the proposed tax rate of \$0.73 at the current collection rate of 98.96% will generate \$63,279 in real estate tax revenue.

Public Service Corporation Taxes: The ratio set by the Department of Taxation and submitted to the State Corporation Commission to adjust the tax value of the property of public service corporations in Surry greatly impacts the amount of tax revenue the County receives from public service corporations. The Commonwealth's assessment on public service properties was higher than projected in 2013, which resulted in \$823,355 more than the adopted budget. Department of Taxation values won't be distributed until September, and we have not received an estimate as of this date. Therefore, we have conservatively budgeted revenue of \$12,833,421 in the proposed budget.

The table below shows the projected tax revenue generated from real property and public service corporation taxes for FY13 and FY14 based on the proposed rate of \$0.73 per \$100 of assessed value. In FY15, real property taxes are estimated to account for 30% of the total tax revenue collected versus 63% based on the assessment on public service corporations.

	FY13	FY14	FY15	Dollar (\$)	Percent (%)
	Actual	Projections	Proposed	Variance	Variance
Real Property	6,555,274	6,026,473	6,011,534	(14,939)	-0.25%
Public Service	<u>13,013,521</u>	<u>13,333,421</u>	<u>12,833,421</u>	<u>(500,000)</u>	-3.75%
Total	19,568,795	19,359,894	18,844,955	(514,939)	-2.66%

Personal Property Taxes: The taxes assessed on vehicles, business property and mobile homes is classified as personal property. The proposed rate is proposed to remain at \$4.00 per \$100 of assessed value. One penny will produce an estimated \$12,421 in personal property tax revenue.

Personal Property Tax Relief Percentage (PPTRA): Beginning Tax Year 2006, qualifying vehicles with assessed value of more than \$1,000 are provided a percentage of tax relief, annually fixed and applied to the first \$20,000 in value. Qualifying vehicles with a value under \$1,000 will receive 100% tax relief. The amount of relief must be determined each year and is based on both the number of vehicles in the County and the values. The estimated relief rate is proposed to remain the same at 45% in 2014.

Machinery & Tools: The taxes assessed on manufacturers in the County constitute machinery and tools taxes. The proposed rate of \$1.00 per \$100 of assessed value reflects no change from the current rate. The County receives approximately \$17,000 each year in machinery & tools tax revenue.

II. LOCAL FEE RATE STRUCTURE

There are no planned increases in fees for services at this time. The rate for wastewater services remains at \$34.20 to \$68.25 per month, depending on the type of customer, for the first 5,000 gallons and \$2.20 per thousand gallons over that amount.

Commercial solid waste collection rates remain at \$54.40 and \$81.60 per month for 4 yard and 6 yard containers, respectively. The cost per collection for 20 and 30 yard containers remains at \$350.00 and \$410.00, respectively.

III. ADDITIONAL EXPENDITURE HIGHLIGHTS

Other major expenditures proposed in the FY15 budget include:

- Level-funding of the department of social services -- \$748,906
- Contract medical transport -- \$350,000
- Allocations for 3 volunteer fire departments & 1 volunteer rescue squad -- \$231,000
- Five years of grant funding for a shared radio tower with IOW County -- \$125,000
- Two sheriff's vehicles, including radios -- \$55,500
- Contract for services to enforce the existing property maintenance ordinance -- \$50,000
- Upgrade of one animal control position to full-time -- \$40,699
- County-wide staff development courses -- \$20,000

CONCLUSION

Overall, the FY15 proposed expenditure plan for the County reflects a \$469,240, or 2.6%, increase in the current year adopted general fund operating budget. The FY15 total proposed budget, including all subsidiary funds, is \$49,594,106, which is \$4,382,493 or 9.7% more than the current year adopted budget. The bulk of this increase can be primarily attributed to the increase in proposed capital projects for the year. The proposed expenditure plan by fund is summarized in the table on the next page.

CATEGORY	FY13 Actual Expenditures	FY14 Adopted Budget	FY14 Projected Expenditures	FY15 Proposed Budget	Increase/ (Decrease)
Genl' Government Administration	1,353,453	1,836,574	1,521,309	1,743,553	(93,021)
Judicial Administration	407,977	425,710	431,422	437,644	11,934
Public Safety	2,992,442	3,207,513	2,906,729	3,331,638	124,125
Public Works	984,176	1,155,053	988,417	1,119,537	(35,516)
Health & Welfare	601,689	612,879	631,712	652,563	39,684
Colleges & Universities	3,767	3,871	3,871	3,915	44
Parks, Recreation & Cultural	538,081	530,069	699,392	587,610	57,541
Community Development	453,596	499,300	480,301	538,905	39,605
Transfers to School Fund	11,762,313	11,694,114	11,658,239	12,000,000	305,886
Transfers to Other Funds	2,550,958	2,824,119	2,860,668	2,812,032	(12,087)
Subtotal-General Operating	21,648,452	22,789,202	22,182,060	23,227,397	438,195
Debt Service Fund	1,656,269	1,615,213	1,657,977	1,603,127	(12,086)
VPA Funds (3)	1,672,466	1,911,911	1,895,593	1,959,085	47,174
Comprehensive Services Fund	204,913	106,716	171,752	187,630	80,914
School Fund	15,171,534	15,128,007	15,128,007	15,219,445	91,438
Cafeteria Fund	643,816	601,409	601,409	669,728	68,319
Indoor Plumbing Fund	6,808	13,415	10,690	11,415	(2,000)
Economic Development Fund	0	80,000	20,000	80,000	0
Capital Fund	1,010,775	2,665,000	1,618,489	6,250,000	3,585,000
Utilities Fund	405,141	327,870	339,540	357,364	29,494
TOTAL OPERATING BUDGET	42,420,174	45,238,743	43,625,517	49,565,191	4,326,448

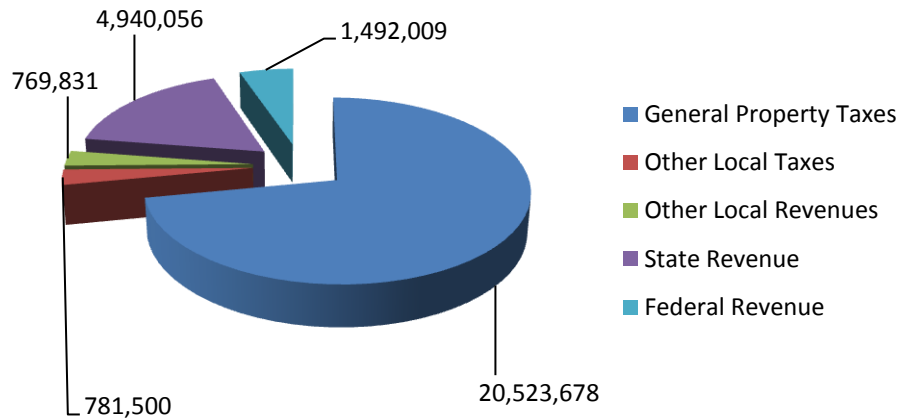
I hope that this proposal will allow the Board to provide meaningful input to assist the County in finalizing a budget that addresses continued commitments to education, citizens, departments and employees while providing a framework of financial stewardship over available resources. The proposal presented reflects a strategy that still employs core services and programs, reduces various operational costs where feasible while adjusting for certain increases that may be outside our immediate control. I wish to express my appreciation to all of who have been good stewards of County resources. I look forward to working with you as we further deliberate the FY15 budget and develop a financial plan that continues to invest in our infrastructure, technology, economic opportunity and people.

Respectfully Submitted,

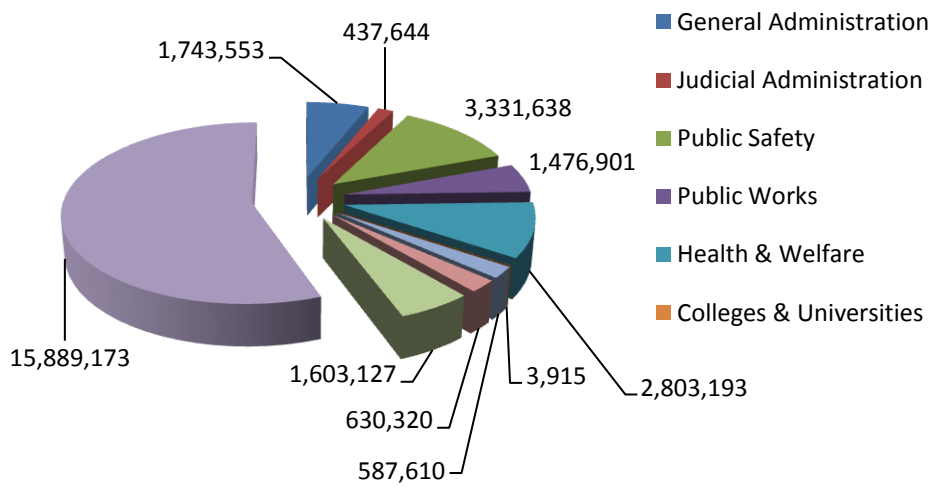


Tyrone W. Franklin
County Administrator

Sources of Funds



Uses of Funds



FY15 PRELIMINARY REVENUE PROJECTION SUMMARY					
Primary Government:	FY13 Actual	FY14 Budget	FY14 Projected	FY15 Proposed	Increase/ (Decrease)
Real Property Taxes	6,555,274	5,867,056	6,026,473	6,211,534	185,061
Public Service Taxes	13,013,521	12,510,066	13,333,421	12,833,421	(500,000)
Personal Property	1,192,830	1,178,932	1,247,932	1,283,723	35,791
Penalty & Interest	251,275	182,000	206,760	195,000	(11,760)
Other Local Taxes	742,647	911,117	673,802	781,500	107,698
Use of Money & Property	92,472	89,126	89,544	88,876	(668)
Other Local Sources	283,621	196,630	269,959	224,524	(45,435)
Total from Local Sources	22,131,640	20,934,927	21,847,891	21,618,578	(229,313)
Noncategorical Aid	766,431	763,001	754,952	751,865	(3,087)
Shared Expenses	785,614	833,072	818,768	818,768	0
Welfare Admin. & Assistance	311,143	389,001	389,001	384,446	(4,555)
Other Categorical Aid	156,785	159,037	195,099	176,585	(18,514)
Total from State Sources	2,019,973	2,144,111	2,157,820	2,131,664	(26,156)
Public Assistance & Welfare	745,060	702,587	702,587	717,989	15,402
Categorical Aid	82,811	83,500	251,268	90,392	(160,876)
Total from Federal Sources	827,871	786,087	953,855	808,381	(145,474)
Total Revenue General Fund	24,979,484	23,865,125	24,959,566	24,558,623	(400,943)
School Fund:					
Local Sources	74,464	300,000	300,000	300,000	0
State Sources	2,811,957	2,832,337	2,832,337	2,700,462	(131,875)
Federal Sources	666,024	888,711	881,711	888,711	7,000
Total School Fund	3,552,445	4,021,048	4,014,048	3,889,173	(124,875)
Sub Total Operating Revenue	28,531,929	27,886,173	28,973,614	28,447,796	(525,818)
SUMMARY					
Local	22,206,104	21,234,927	22,147,891	21,918,578	(229,313)
Federal	1,493,895	1,674,798	1,835,566	1,697,092	(138,474)
State	4,831,930	4,976,448	4,990,157	4,832,126	(158,031)
Total All Sources	28,531,929	27,886,173	28,973,614	28,447,796	(525,818)

FY15 BUDGET GENERAL FUND EXPENDITURES				
Function/Department	FY13 Actual Expenditures	FY14 Adopted Budget	FY15 Recommendation	Increase/ Decrease
<u>General Government Administration</u>				
Board of Supervisors	69,662	76,723	76,053	(670)
Contingency	29,461	227,130	225,000	(2,130)
Board of Equalization	0	134,930	0	(134,930)
County Administrator	306,352	388,795	420,481	31,686
County Attorney	79,846	78,000	83,000	5,000
Treasurer	252,440	270,749	273,153	2,404
Independent Auditor	31,500	40,000	43,000	3,000
Commissioner of the Revenue	189,988	189,657	192,022	2,365
Finance	164,304	173,076	179,216	6,140
Network Services	132,856	154,032	144,450	(9,582)
Board of Elections	97,044	103,482	107,178	3,696
SubTotal	1,353,453	1,836,574	1,743,553	(93,021)
<u>Judicial Administration</u>				
Circuit Court	12,935	11,606	11,606	0
Combined Court	9,828	11,780	14,192	2,412
Magistrate	527	725	725	0
Circuit Court Clerk	241,780	249,883	249,277	(606)
Commonwealth's Attorney	129,234	132,332	133,657	1,325
Victim/Witness Program	13,673	19,384	28,187	8,803
SubTotal	407,977	425,710	437,644	11,934
<u>Public Safety</u>				
Sheriff's Office	1,470,061	1,504,314	1,583,169	78,855
Riverside Criminal Justice Agency	12,658	12,741	14,585	1,844
Fire & Rescue Services	602,017	611,161	611,824	663
Correction & Detention	293,488	325,973	304,063	(21,910)
Building Inspections	111,233	132,333	135,691	3,358
Inspections Enforcement	0	0	50,000	50,000
Animal Control	134,432	138,420	193,317	54,897
Emergency Services	323,545	437,271	392,333	(44,938)
E911 Communications	45,008	45,300	46,656	1,356
SubTotal	2,992,442	3,207,513	3,331,638	124,125
<u>Public Works</u>				
Sanitation	443,294	544,194	531,690	(12,504)
Litter Prevention	7,091	6269	5,612	(657)

FY15 BUDGET GENERAL FUND EXPENDITURES, CONTINUED				
Function/Department	FY13 Actual Expenditures	FY14 Adopted Budget	FY15 Recommendation	Increase/ Decrease
Maintenance	533,791	604,590	582,235	(22,355)
SubTotal	984,176	1,155,053	1,119,537	(35,516)
<u>Education, Health & Welfare</u>				
Health Department	216,539	216,539	216,539	0
Surry Free Clinic	6,500	7,000	7,500	500
Employment Resource Center	2,727	14,907	28,079	13,172
Improvement Association	29,604	29,604	29,604	0
WIA Out-of-School Program	32,727	34,045	0	(34,045)
WIA In-School Program	34,010	34,490	86,892	52,402
Office on Youth	178,524	180,414	184,721	4,307
VJCCCA	23,055	22,647	28,607	5,960
District 19 Community Services Board	58,573	58,573	59,236	663
Southside Virginia Legal Aid	7,261	7,261	7,261	0
SGE Adult Activity Services, Inc.	1,170	0	640	640
Crater Area Agency on Aging	1,033	1,033	1,033	0
Foster Grandparents	2,766	2,766	2,766	0
Genivieve Shelter	7,200	3,600	3,600	0
John Tyler Community College	1,267	1,371	1,415	44
Virginia State University	2,500	2,500	2,500	0
SubTotal	605,456	616,750	660,393	43,643
<u>Parks, Recreation & Cultural</u>				
Williamsburg Area Transit	35,000	35,000	36,750	1,750
Parks & Recreation Administration	361,914	372,957	380,245	7,288
Recreation Programs	41,536	27,500	28,000	500
Captain Smith Deckhouse Restoration	3,186	0	0	
Blackwater Regional Library	96,445	94,612	142,615	48,003
SubTotal	538,081	530,069	587,610	57,541
<u>Community Development</u>				
Planning	294,650	336,520	363,622	27,102
Wetlands Board	0	750	750	0
Board of Zoning Appeals	2,695	3,000	3,000	0
Crater Small Business Development Center	2,500	2,500	2,500	0
Economic Development	63,247	50,179	60,029	9,850
Planning Commission	5,826	10,750	10,750	0

FY15 BUDGET GENERAL FUND EXPENDITURES, CONTINUED				
Function/Department	FY13 Actual Expenditures	FY14 Adopted Budget	FY15 Recommendation	Increase/ Decrease
Transportation Safety Commission	650	1,000	1,000	0
Historic & Architectural Review Board	475	500	500	0
SERCAP	3000	3,000	3,000	0
Habitat for Humanity	5000	5,000	5,500	500
Peanut, Soil & Water	9,000	9,500	10,000	500
Cooperative Extension	66,553	76,601	78,254	1,653
SubTotal	453,596	499,300	538,905	39,605
<u>Transfers to Other Funds</u>				
VPA Fund	575,342	748,906	748,906	0
School Fund	11,762,313	11,694,114	12,000,000	305,886
CSA Fund	85,107	80,000	80,000	0
Economic Development Fund	0	80,000	80,000	0
Debt Service Fund	1,657,913	1,615,213	1,603,126	(12,087)
Utilities Fund	207,251	272,870	300,000	27,130
SubTotal	14,287,926	14,491,103	14,812,032	320,929
Total General Fund:	21,623,107	22,762,072	23,231,312	469,240

FY15 BUDGET, FUNDING FOR OUTSIDE AGENCIES					
Department Name	FY13 Actual	FY14 Adopted Budget	FY15 Proposed	Difference	Percent Inc/Dec
Riverside Criminal Justice Agency	12,658	12,741	14,585	1,844	14.47%
Department of Forestry	12,766	12,510	12,510	0	0.00%
Claremont Fire Department	49,863	50,000	50,000	0	0.00%
Dendron Fire Department	55,000	55,000	55,000	0	0.00%
Surry Fire Department	54,000	54,000	54,000	0	0.00%
Surry Rescue Squad	72,000	72,000	72,000	0	0.00%
Chesterfield Med Flight	600	700	700	0	0.00%
ODEMSA	830	951	814	(137)	-14.41%
Adult Incarceration	251,156	277,334	251,567	(25,767)	-9.29%
Juvenile Detention	42,332	48,639	52,496	3,857	7.93%
Surry ASPCA*	0	0	1,000	1,000	--
HR Metro Medical Response System	1,412	1,434	1,593	159	11.09%
Health Department	216,539	216,539	216,539	0	0.00%
Surry Free Clinic	6,500	7,000	7,500	500	7.14%
SSG Improvement Association	29,604	29,604	29,604	0	0.00%
District 19 CSB	58,573	58,573	59,236	663	1.13%
Legal Aid Justice Center	7,261	7,261	7,261	0	0.00%
SGE Adult Activity Services	1,170	0	640	640	--
Crater Agency on Aging	1,033	1,033	1,033	0	0.00%
Foster Grandparents	2,766	2,766	2,766	0	0.00%
Genivieve Shelter	3,600	3,600	3,600	0	0.00%
John Tyler Community College	1,267	1,371	1,415	44	3.21%
Virginia State University	2,500	2,500	2,500	0	0.00%
Williamsburg Area Transit	35,000	35,000	36,750	1,750	5.00%
Blackwater Regional Library	96,445	94,612	142,615	48,003	50.74%
Crater Small Bus Dev Center	2,500	2,500	2,500	0	0.00%
Hampton Roads Partnership	4,900	4,900	4,900	0	0.00%
Virginia Gateway Region	26,229	26,229	26,229	0	0.00%
SERCAP	3,000	3,000	3,000	0	0.00%
Habitat for Humanity	5,000	5,000	5,500	500	10.00%
Peanut, Soil & Water	9,000	9,500	10,000	500	5.26%
Airfield/4H Conference Center*	0	0	500	500	--
	1,065,504	1,096,297	1,130,353	34,056	3.11%

*New contributions



County of Surry, Virginia

Fiscal Years 2015-2019

Capital Improvements Plan

FY2015-2019 Project Expenditures by Category

General Administration	\$ 750,000
Maintenance of Public Facilities	\$ 4,575,000
Public Safety	\$ 1,500,000
Parks, Recreation & Cultural	\$ 6,625,000
Education	\$ 500,000
Grand Total: Project Expenditures	<u>\$ 13,950,000</u>

FY2015-2019 Revenue Sources

General Fund Operating Revenue

CIP Reserves	\$ 1,600,000
Total General Fund Revenues	\$ 1,600,000

Other Revenues

Long-Term Debt	\$ 11,250,000
State or Federal Funds	\$ 1,100,000
	\$ 12,350,000
Grand Total: Project Revenues	<u>\$ 13,950,000</u>

Surry County Planning Commission

Eddie F. Brock
 Thomas S. Hardy
 Gabriella W. Clark
 Anita H. Curl
 A. Kevin Monahan
 William E. Seward IV
 Theodore R. Lunsford
 Giron Wooden Jr.
 Stephan W. Berryman
 John F. Stokes

Judy S. Lyttle
Board of Supervisors Representative

Tyrone W. Franklin
County Administrator

Rhonda L. Russell
Director of Planning & Community Development

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**INTERESTED IN LEARNING ABOUT THE
 STATUS OF AN EXISTING PROJECT?
 CALL 757-294-5271**

Introduction

Capital Improvements Programming is a method of planning for the effective and efficient provision of public facilities, infrastructure improvements, major maintenance requirements, and acquisition of property & equipment. The first year of the *Capital Improvements Plan (CIP)* represents the County Administrator's proposal to the Board of Supervisors as the FY14 Capital Improvements Budget.

A five-year CIP allows the Board of Supervisors and citizens an opportunity to view both the five-year capital construction and infrastructure maintenance needs of the county. With the CIP the county is better able to plan a financing strategy for capital Improvements, annual operating requirements and multi-year projects.

What is a CIP?

Each locality establishes its own criteria for capital improvements projects. For Surry County, a capital improvements project has a cost in excess of \$30,000 and a life expectancy of at least five years. Although the CIP is a means of implementing the recommendations of the county's Comprehensive Plan, proposed projects are not limited to those listed in the plan. Projects pertaining to the renovation, maintenance and/or construction of public facilities, equipment purchases and land acquisition for public use are included in the capital improvements plan. All projects included in the CIP are classified in five categories: General Government Administration, Facility Maintenance, Public Safety, Parks, Recreation & Cultural and Education.

Guiding Principles

Basic principles are used to help shape the Capital Improvements Plan. These principles include, but are not limited to, developing a balanced capital strategy to fund projects in a variety of program areas while meeting those needs with the highest priority. This ensures the CIP will be the platform for development in the county and business community while preserving the existing tax base. To further guide the CIP decision-making process, potential projects in the CIP are evaluated based on the following objectives:

- ✓ Meet a legal obligation or federal or state mandate
- ✓ Outside funding is available through a match of federal or state funding
- ✓ Address health concerns, safety or emergency needs
- ✓ Produce positive community impact and garners broad community support
- ✓ Meet prior commitments
- ✓ Can be funded within the parameters of established debt financial policies

Benefits of Capital Improvements Programming

The primary benefit of Capital Improvements Plan is that it requires the county to plan for its capital needs in concert with available financing over a five-year period. This process contributes to a responsible fiscal policy. Other benefits of the CIP include:

- ✓ The fostering of a sound and stable financial program over a five-year period based on current economic trends;
- ✓ The coordination of projects that promote informed decisions and joint programs among county departments;
- ✓ The enabling of private businesses and citizens to know when certain public improvements will be undertaken, allowing more efficient and effective planning;
- ✓ The focused goals and needs of the community are met through the provision of new facilities and infrastructure Improvements;
- ✓ The annual evaluation of the infrastructure needs for the provision of services for the public health and safety of the citizens of the county; and
- ✓ The provision of a logical process for assigning priorities to projects based on their impact on the county.

CIP Process & Discussions

The annual CIP process occurs during the normal budget process. Suggested projects normally come from county departments, administrative staff and the Board of Supervisors. A CIP committee is composed of the County Administrator and Directors of Finance & Information Technology, Parks & Recreation and Planning & Community Development. These positions are inclusive to the areas of economic development, public works, public safety and information technology, which are integral departments to the CIP process. A preliminary planning session is conducted to review the current year's Capital Budget and CIP; subsequent meetings follow. Adjustments may be necessary based on priority, funding, legal requirements and other factors. Newly requested projects are reviewed and placed in the proposed CIP in accordance with established criteria.

Once a consensus has been reached on a recommended list of projects, an annual schedule for the current and next four fiscal years is developed for each project along with the proposed funding sources. The Board of Supervisors conducts a public hearing at which time the recommended CIP is presented. After all public comments have been received and discussion satisfied, the CIP is then adopted. This is usually done in conjunction with the public hearing and adoption of the annual operating budget. The first year of the CIP is incorporated into the County Administrator's Recommended Budget as the Capital Improvements Budget for the upcoming fiscal year.

Capital Improvements Plan Timeline

Month	Task
January	Annual Budget Process Begins
March	Draft CIP Presented to Planning Commission
April	Planning Commission Reviews and Approves CIP; Recommendation sent to BOS
April	Public Hearing is Held on the Proposed CIP
May	Adoption by the BOS

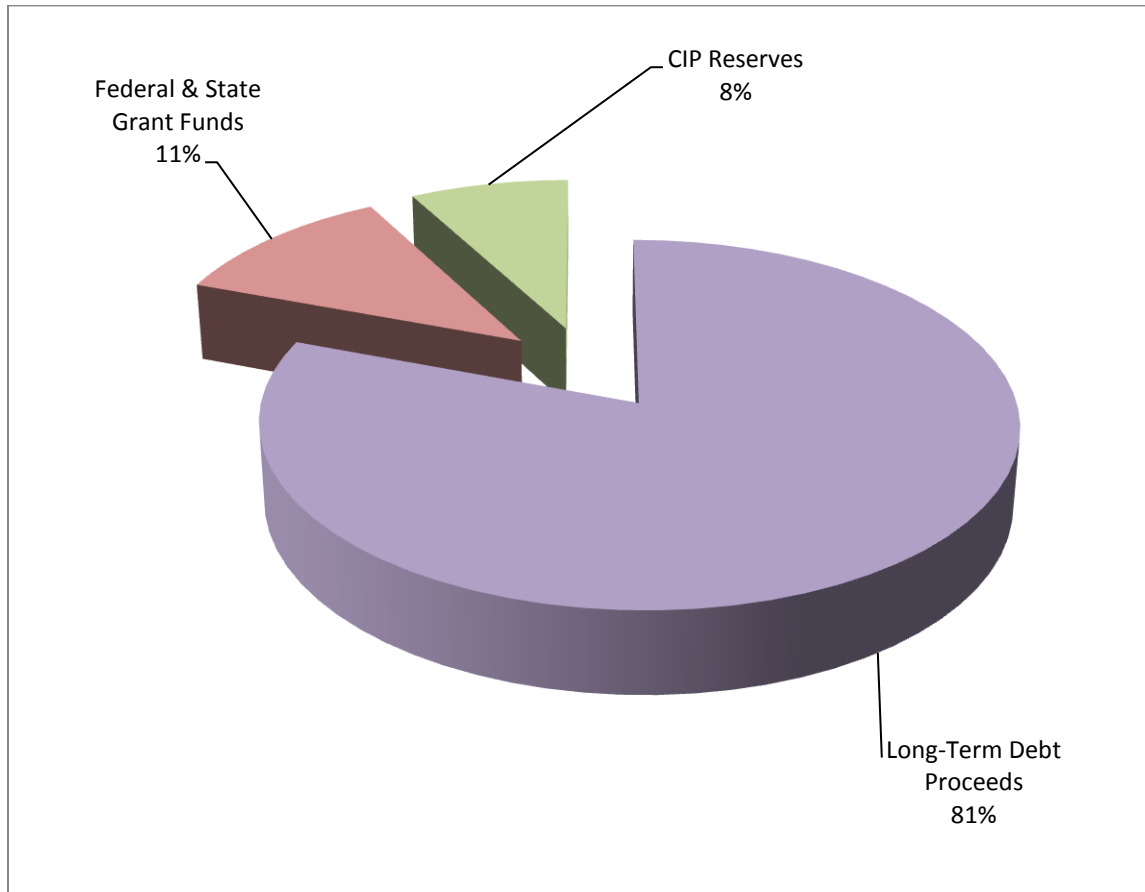
The Board of Supervisors holds budget planning work sessions, which includes identifying capital needs in the county. This CIP document identifies the capital improvement needs and priorities over a five-year period in conjunction with projected funding levels and the Board of Supervisor's vision & principles. Actual programming of projects is dependent upon the financial resources available. Funding constraints may preempt the actual inclusion of projects in the current CIP, but may be listed as priorities for funding should resources become available. While every need is not addressed, the CIP intends to serve as a critical planning tool and foundation for future decision making.

Financial Advisor

The Board of Supervisors retains a financial advisor to work with county staff to review & make recommendations for changes in fiscal policies for the county, to develop a long range funding plan that addresses the county's capital needs and to prepare the county for anticipated debt levels and ratios over the life of the CIP and beyond.

FY 2015-2019 Funding Sources

Each project in the FY2015-2019 Capital Improvements Plan utilizes one or more of the following sources: long-term debt proceeds, general fund reserves, federal and state government grants and lease financing agreements.



General Obligation Bonds

The issuance of bonds is a method used by many localities to fund capital projects. Bond issuances are governed by state laws and regulations. A loan is issued to the county based on appropriate levels of debt, revenue and reserves in exchange for the promise to repay the loan with interest. The term of the bond is usually 15 to 30 years. Typically, government regulations require that the proceeds from bonds issues be expended on one-time capital projects within a certain time frame after the issuance. Bond proceeds have been used to finance school projects as well as general government projects. The level of debt that the county incurs is governed by Board approved financial policies.

Contributions from the General Fund (Assigned Fund Balance)

The General Fund receives taxes and fees, including real estate and personal property taxes, which are collected to support the general operation of the county. Where current financial policies do not dictate a certain percentage of use of estimated General Fund revenues each year for the Capital Budget, a certain amount of funds are allotted based on the availability of

prior year reserves. In other words, funds that remain unspent from the operating budget from year to year may be used to finance certain capital projects on a pay-as-you go basis. This has enabled the county to pay for projects such as solid waste management facilities, landfill closure activities, technology improvements, governmental studies and planning-related updates.

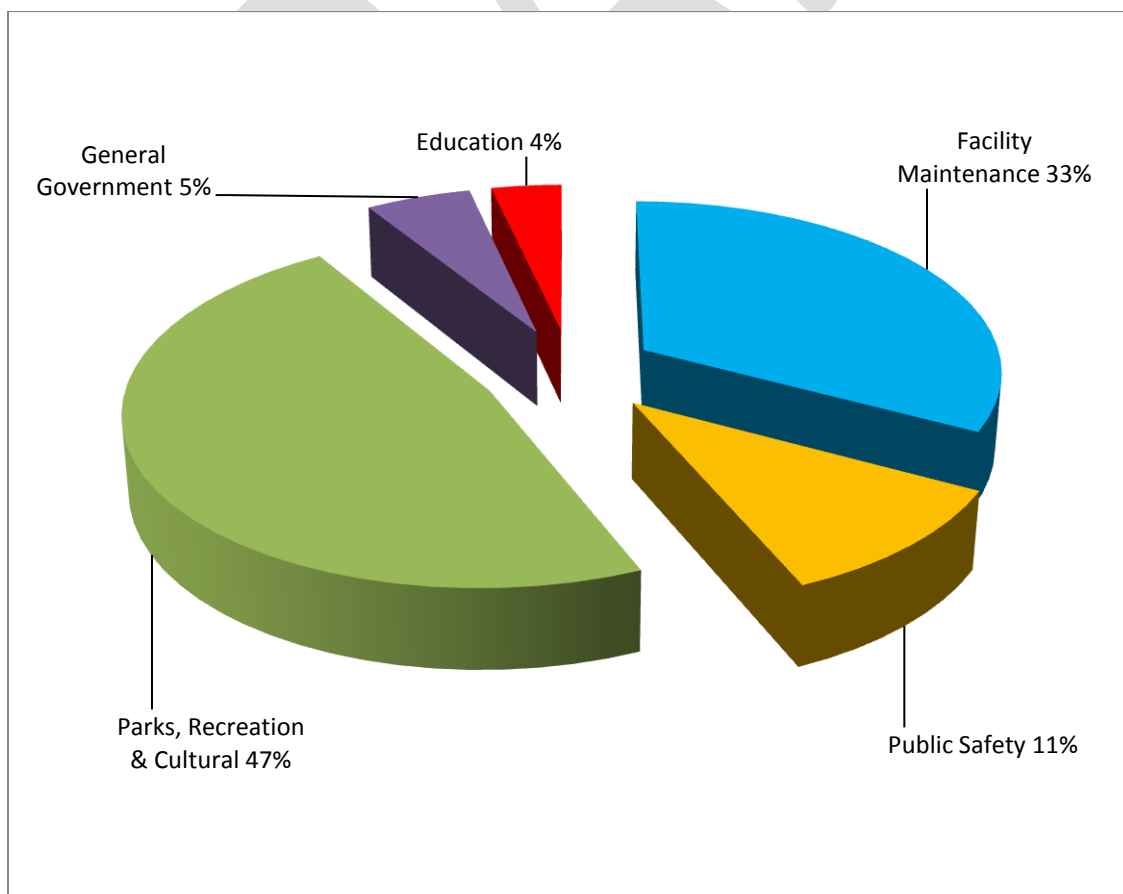
Federal and State Government

The federal and state governments provide funding in the form of grants. In Surry, state funds have been used to support the broadband initiative. In the past, state and/or federal funds have been used to support community improvements programs and enterprise activities (i.e. water and sewer improvements). It is important to note that funding received from these sources *may* require a local match from the county.

Lease Financing Agreements

Lease financing allows the lessee to preserve capital and reduce borrowing capacity because it offers 100% financing, low closing costs and lower monthly payments than traditional borrowing. This financing alternative is subject to all local and state laws and regulations. The county has recently utilized lease financing agreements to acquire funding for public safety equipment and for the renovation of the government center and circuit courthouse.

FY2015-2019 EXPENDITURE CATEGORIES



Capital Budget for Fiscal Year 2015

FY2015 Project Expenditures by Category						
		Local	Grant	State	Long-Term	Total
		Funding	Funding	Funding	Debt	Funding
Broadband Project	\$ 500,000	\$ 100,000	\$ -	\$ 400,000	\$ -	\$ 500,000
Water Upgrades	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000
Facility Stabilization/Restoration	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
Technology Improvements	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Marina Project	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
High School HVAC Infrastructure	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000
Surry Sewer Expansion	\$ 750,000	\$ 50,000	\$ 700,000	\$ -	\$ -	\$ 750,000
Visitors Center	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000
Rescue Squad Building	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000
Rec. Multi-Modal Study/Improvements	\$ 125,000	\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000
Grand Total: Project Expenditures	\$ 6,250,000	\$ 900,000	\$ 700,000	\$ 400,000	\$ 4,250,000	\$ 6,250,000
FY2014 Revenue Sources						
General Fund-CIP Reserves	\$ 900,000					
Long-Term Debt	\$ 4,250,000					
State Grants	\$ 1,100,000					
Grand Total: Project Revenues	\$ 6,250,000					

Capital Budget Descriptions for Fiscal Year 2015

Broadband Implementation Project..... \$500,000

Twenty-three thousand linear feet of fiber have been deployed that will connect local community service facilities and two industry partners and the county has contracted with a service provider for county-owned properties. The wireless portion of the Broadband project faced considerable opposition related to the placement of a communication tower off Old Burrough Road. Due to permitting issues with the Virginia Department of Historic Preservation and the Federal Communication Commission, the county requested and received an extension for completion of the grant requirements to January 1, 2015. This extension will amend the existing grant contract to permit the construction of one tower at 350' rather than three towers at varied locations county-wide. Staff is pursuing other options for the placement of the tower that will permit the county to deliver the wireless portion of the project in 2015. This change would significantly reduce telecommunications expenditures by permitting the co-location of public safety telecommunications equipment and broadband wireless equipment on the same structure.

Facility Stabilization.....	\$75,000
The County owns various buildings, some which are listed on the National Register of Historic Places. This project continues to maintain and stabilize the exterior structures so that the buildings could have permanent uses in the future. The building uses include but are not limited to, tourism/visitor center activities and office space or meeting facilities. The old Academy Building was stabilized and later renovated for use as a Business Assistance Center and currently houses the Surry County Resource Center and Victim/Witness Program.	
Recreation Multi-Modal Study/Improvements.....	\$125,000
The county park currently has only one entrance and exit driveway. To improve access to and from the Park, this project includes design, engineering and other costs associated with construction of a second driveway and the initial design for a walking trail at the park. Also included are the initial design costs for a recreation master plan.	
Technology Upgrades	\$50,000
County offices replace individual computers periodically based on a rotation list. Due to the number of computers and budget constraints, some are 4-6 years old. The purchase of new computers would currently cost approximately \$56,000. New technology would allow us to connect each desktop to a single server, eliminate the need for new computers at every desk and purchase new computers much less frequently. The server will hold all user profiles, documents and run all daily software. Based the number of offices and personal computers, 4 servers would be required to effectively maintain existing systems, while providing the necessary speed and security at a reduced cost in the long run.	
Visitors Center.....	\$250,000
The original circuit court clerk's office on Church Street was constructed around 1826 and housed the county's records until 1895. After that time it has housed many local organizations and county offices, including the Surry Calvary, the Surry Chapter of the United Daughters of the Confederacy, the formerly named welfare office and the planning department. Most recently it housed the Surry County Tourism Bureau and the Surry County Chamber of Commerce. This project encompasses the repair/replacement of the roof, the replacement of deteriorating mortar, stone window sills, wood windows & bricks, and site work.	
Utilities Expansion & Upgrade.....	\$1,750,000
Utilities owned by the county and its incorporated towns are aging. Through contract, the Sussex Service Authority is currently maintaining and operating the county-owned facilities. The waste water system is at or near capacity. Because of this, the county is planning for an update in capacity and certain associated infrastructure.	
Rescue Squad Building	\$1,500,000
This project involves the initial design and construction of a new rescue squad building to be located at a site to be determined.	
Marina Project.....	\$1,000,000
The Board of Supervisors approved the purchase of the Gray's Point Marina property in October 2013. Closed for several years, the marina spans approximately 18 acres and will be the county's first public access to deep water. The property can support a number of water recreation activities, including boating, fishing, camping, picnicking and observation of wetland habitats. The next phase of the project will include the construction of a boat ramp & fixed dock, conversion of all access & parking to ADA compliance requirements, updating the parking to accommodate cars, boats & trailers with a turnaround and the development of the existing restaurant and efficiency apartment units.	

FIVE YEAR CAPITAL IMPROVEMENTS PLAN SUMMARY

COUNTY OF SURRY, VIRGINIA CAPITAL IMPROVEMENTS PLAN FISCAL YEARS 2015 through 2019

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Grand Total	Total ST/LT Debt	Total Local/Other Local	Grants & Other Sources
GENERAL GOV'T ADMINISTRATION									
Technology Improvements	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000	\$ -	\$ 250,000	\$ -
Broadband Project	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 100,000	400,000
Total General Administration	\$ 550,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 750,000	-	350,000	400,000
FACILITY MAINTENANCE									
Visitors Center	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ -
Water Upgrades	\$ 1,500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 1,500,000	\$ 500,000	-
Surry Sewer Expansion	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ 750,000	\$ -	\$ 50,000	700,000
Facility Restoration/Stabilization	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -
Warehouse Garage	\$ -	\$ 750,000	\$ 750,000	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -
Total Public Works	\$ 2,575,000	\$ 1,250,000	\$ 750,000	\$ -	\$ -	\$ 4,575,000	\$ 3,250,000	\$ 625,000	\$ 700,000
PUBLIC SAFETY									
Rescue Squad Building	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -
Total Public Safety	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -
PARKS, RECREATION & CULTURAL					\$ -				
Marina Project	\$ 1,000,000	\$ 500,000	\$ -		\$ -	\$ 1,500,000	\$ 1,500,000		\$ -
Rec. Multi-Modal Study/Improvements	\$ 125,000	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -	\$ 5,125,000	\$ 5,000,000	\$ 125,000	\$ -
TOTAL PARKS, REC. & CULTURAL	\$ 1,125,000	\$ 3,000,000	\$ 2,500,000	\$ -	\$ -	\$ 6,625,000	6,500,000	125,000	-
EDUCATION									
High School HVAC Infrastructure	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000.00	\$ -	\$ 500,000.00	\$ -
TOTAL EDUCATION	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000.00	\$ -	\$ 500,000.00	\$ -
TOTAL ALL PROJECTS	\$ 6,250,000	\$ 4,300,000	\$ 3,300,000	\$ 50,000	\$ 50,000	\$ 13,950,000	\$ 11,250,000	\$ 1,600,000	\$ 1,100,000

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